

OFFICE OF THE SECRETARY OF DEFENSE

From Lou Michael

8 April 1981

Memo For Mr. Tether C3I
Mr. Sullivan C3I
Mr. Knutsen Prog Control
LTC Gross OUSDRE
LTC Couture TWP

Babcock

Please note Dr. Wade's coordination on PA&E memorandum to DepSecDef on reduction of data reductions in the POM. This is next under.

Note that TIARA POM data requirements have not been reduced further. Let's make good use of this data, for which we have had to struggle.

Note that there is no change in our position on Descriptive Summaries. This is spelled out on page 3 of the memorandum Dr. Wade sent to Mr. Carlucci on 6 April. Also attached.

Mr. Knutsen will coordinate the following:

1. Entry in the revised PPI (10 Apr) consistent with statement on coordination sheet next under.
2. Completion of OUSDRE review of D.S. (d.s.) by 18 April -- with recommendations to Dr. Wade.

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Approved For Release 2009/11/16 : CIA-RDP87B00305R000701450021-9
This proposal has not been coordinated with either Service or OSD staffs.
We have discussed it with Larry Korb and Jim Wade and they agree in principle and on major data reductions in their respective areas.

Due to the POM's being due on June 15, we recommend that you:

- o Accept our proposal for POM data reduction.
- o Sign the attached memorandum to convey your decision to the Department.
- o Direct this office to issue an amended PPI reflecting your decision.

Michael Leonard
Acting Assistant Secretary of Defense
(Program Analysis and Evaluation)

Attachment

COORDINATION

James P. Wedel 7/4/81

I will make changes in RDT&E Descriptive Summary requirement (V.B.2.b.(2)) if in our interest, after discussion with Services. I will handle separate from PPI. TIARA project displays should be incorporated in C3I display (V.B.2.b.(2)). TIARA data requirements have been reduced from 317 to 68 projects.



RESEARCH AND
ENGINEERING

THE UNDER SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

6 April 1981

MEMORANDUM FOR THE SECRETARY OF DEFENSE
DEPUTY SECRETARY OF DEFENSE

SUBJECT: Management of the DoD Planning, Programming and
Budgeting System - INFORMATION MEMORANDUM

In response to the Deputy Secretary's request of 27 March, this memorandum proposes how the USDRE would carry out his responsibilities for the following PPBS assignments:

- Develop resource objectives, conduct resource planning, and draft resource planning guidance.
- Staff oversight of program unification and standardization.
- Review and evaluation of programs with respect to:
 - o Cross-program effectiveness,
 - o Modernization, and
 - o Research and Development

Resource Objectives, Planning, and Guidance. Resource objectives and draft resource planning guidance would be the product of the planning phase, early on in the PPBS cycle.

Under the overall lead of the USD (Policy), the USDRE would be responsible for coordinating management of both USDRE and ASD (MRA&L) conduct of a DoD resource planning activity, within the wider planning process. USDRE focus would be on the extent of force modernization (investment), acquisition management, the industrial base, and interoperability and international cooperation. ASD (MRA&L) would concentrate on manpower, readiness, sustainability, and other logistics. Together, they would produce a coherent draft of resource planning guidance as part of overall Defense Guidance.

USDRE would coordinate with the Comptroller, particularly with respect to integrating appropriate fiscal and economic forecasts into the process. We would coordinate with other elements of OSD, and the Services would participate in the process, for example through the mechanism of ad hoc working and steering groups. As appropriate, OJCS participation would also be sought.

I would expect the ASD(PA&E) to provide supporting inputs to resource-oriented analysis and evaluation of existing programs and planning trends. Other input to resource planning would include Service long-range plans, mission area assessments by the OUSDRE staff, as well as reports and plans from the CINCs and the JCS.

I do not foresee any requirements for new reports or data. Better management, application, and use of materials at hand should be all that is needed. The details of the first year's overall planning phase will be developed by the USD (Policy), ASD(MRA&L), and me within the next three weeks. For our part, we are proposing a new office within OUSDRE to staff this activity with no increase in current manning.

Program Unification and Standardization. Program unification involves bringing together most effectively the capabilities represented by the variety of Service programs to produce the capabilities needed to overcome mission area deficiencies. Program standardization involves acquisition management of individual programs to insure cross service standardization where appropriate, and interoperability among U.S. forces; as well as among allies.

Program unification would largely be a function of the planning and program review phases of the PPBS. Program standardization would be focussed in DSARC and related acquisition management functions. Together, these activities require coordinating and connecting the PPBS and DSARC system.

We would address the task of standardization and unification in several ways, throughout the PPBS cycle. First, as part of the day-to-day staff management function in OUSDRE, we would assess proposed and on-going programs with respect to both unification and standardization criteria and objectives. Second, each major system review step would examine in detail these issues. Third, in the planning and the program review phases of the PPBS, the OUSDRE staff would conduct mission-area reviews.

Again, this should not pose any demands for new reports or data. It will require better development of criteria and objectives by the USDRE in coordination with the OSD staff. We will begin work on this as soon as we have the benefit of your guidance and reaction to the acquisition review just concluded. We are proposing some adjustments in the organization of OUSDRE to improve both mission area focus and acquisition management (and hence force modernization affordability in the whole), and better enable the USDRE to discharge the unification and standardization responsibilities. As in the planning phase, OJCS advice and participation with respect to mission area needs would be important.

Program Review and Evaluation -- Cross-Program, Modernization, and R&D. This involves a critical examination of Service programs in order to assess the effectiveness of their contribution to mission area capability, at the lowest possible cost. The value of Service programs must be ascertained by the USDRE in terms of cross-service efficiency, and economies; contribution to capability represented by the extent of modernization of the forces in the near and mid-term; and finally contribution to longer term capability, represented by investment in research and development. An important element woven into all three of these dimensions is the assurance of capability represented by the industrial base.

The USDRE would provide you and the members of the DRB with an independent assessment based on technical cross-Service mission analysis, and other evaluations, of how effectively the investment programs integrate the capabilities of the Services. This assessment, though independent, would have the benefit of consultation and coordination with the Comptroller, DUSD (Policy Review), and other elements of OSD as appropriate.

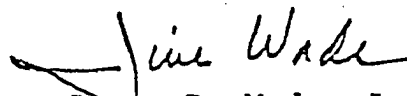
The assessment provided to you would include (but not be limited to): (1) the degree of flexibility in the programs to assure that Presidential and Secretary of Defense near terms and long range goals and priorities can be accommodated, (2) major issues in each mission area that need resolution immediately, (3) an assessment of what line or staff manager is responsible for solving major problems, and (4) major problems and issues that should be addressed in the next planning phase.

In order to insure that you are kept informed on a continuous basis of major problems and issues, I would record them by major mission area, (a) at the conclusion of the planning phase, (b) in the independent assessment of Service programs, and (c) at the beginning of the next planning phase. In this way you would have a running account of these problems and who was responsible for addressing them.

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significant
memorandum
The ASD(PA&E) and I have discussed potential reduction of POM documentation requirements, and I have agreed in principle with the basic proposals he intends to make to you in this regard. I will immediately initiate a dialogue with the Services with respect to one set of documentation not being addressed by PA&E; Program Descriptions. Based on that dialogue we will determine if it is in the overall interest to make changes in this management tool.

The review and evaluation steps outlined above should be feasible given proper orientation of the Service program submissions along with improvement in the quality of Extended Planning Annexes (EPA) to those submissions. With the organizational changes we are proposing the OUSDRE staff should be able to provide the independent program assessments you have directed.

The approaches I have outlined for carrying out the assignments with which you have charged the USDRE should contribute to the overall improvement in the process for DoD-wide performance evaluation, keeping you informed of major problems, and ultimately matching capabilities with policy and strategy. This new process will take some period of time to adjust and grow into its final form. We are prepared to work closely with other staff and line managers to support them in carrying out their responsibilities.



James P. Wade, Jr.
Acting

cc: Director, Joint Staff
USD (Policy)
ASD (MRA&L)
ASD (Comptroller)
ASD (PA&E)
DUSDs (R&E)
ASD (C3I)
Director, Test and Evaluation
DUSD (Policy Review)
Assistant Secretary of the Army (RDA)
Assistant Secretary of the Navy (RE&S)
Assistant Secretary of the Air Force (RD&L)
Directors, Defense Agencies (OUSDRE)



RESEARCH AND
ENGINEERING

THE UNDER SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

10 APR 1981

MEMORANDUM FOR THE SECRETARY OF DEFENSE
DEPUTY SECRETARY OF DEFENSE

SUBJECT: Organization of the Office of the Under Secretary of Defense
for Research and Engineering - ACTION MEMORANDUM

The purpose of this memorandum is to outline to you how I would propose managing the Office of the USDRE, and to obtain your endorsement of this general approach. There is a discussion of the complete organizational structure attached, along with a proposed organization chart. However, I would like to focus first on top-management philosophy and on three people to lead in carrying out that philosophy.

As I see it, the Under Secretary of Defense for Research and Engineering should be held responsible to the Secretary of Defense in three major areas. First, as the Acquisition Executive, he must manage affordable research, development, and procurement in support of mission needs. He should be your principal advisor on individual investment programs, responsible for schedule, cost, and management controls to achieve the most effective application of resources and overall stability in our investment programs. This charge is important and will receive my immediate attention. I would note here that the current title (and past attention) of the Under Secretary of Defense for Research and Engineering has addressed the Acquisition responsibility with a little "a." I intend to increase awareness within the Department of my priority attention to this essential element of procurement, and downstream recommend a change in this position title to the Under Secretary of Defense for Research, Engineering and Acquisition (RE&A). Awareness of the totality of the office responsibility will become a recognized reality, rather than simply a word-smithing exercise.

Second, I believe that in a broader sense, the Under Secretary of Defense for Research and Engineering should be responsible to the Secretary for oversight of the development (and support) of those military capabilities represented by deployed systems and equipment with our forces. The force structure, readiness, and sustainability are other critical capabilities, but this Under Secretary needs to be focused on the extent of modernization of our forces and the weapons they now have. He should direct mission assessments and new long range resource planning in order to provide the Secretary of

Defense with an adequate basis for solid guidance to the Secretaries of the Military Departments on investment objectives for the near and long term. He also needs to advise you with respect to investment balance and the effectiveness of proposed investment programs in meeting broad mission needs. To attach sufficient management attention to these functions, I believe there should be designated an Assistant Secretary of Defense for Development and Support. This official would also serve as the Principal Deputy Under Secretary of Defense for Research, Engineering and Acquisition. Line authority for this position rests in its role as PDUSDREA, where management authority extends over most of OUSDREA, while acting for the USDREA in daily actions, and during absence of the USDREA from the Washington, D.C. area.

Third, research and engineering and advanced technology remain historic and crucial concerns to this Department and to the nation. The Under Secretary must continue to be held responsible for the protection and advancement of our technology base to provide for its responsiveness and to guard against adverse technological surprise. He should exercise staff management of basic research and maintain the close interface needed with the nation's technical and scientific community. Most importantly, he must dramatically improve our ability to phase technology into our forces in an efficient and timely way. To meet these needs, I strongly believe there should be a new Assistant Secretary of Defense for Research and Technology. He would also serve as the Director, Defense Advanced Research Projects Agency. A key responsibility for this official would be to see that technology, when mature, has a welcomed place in the Services for system utilization. Line authority for this position extends to the DARPA, and through provision of top functional direction to (through the resource allocation process and program review) the technology base programs.

With these appointments, OUSDREA would be served by a three man top-management oversight team, led by me, to set the standards, the pace, and to move toward the objectives set by the Secretary of Defense in the three critical areas that I have discussed. Individually and collectively, this leadership team would interact with each of the major staff managers within the organization, and would represent our basic objectives outside the office -- with the Services, the Congress, industry, the scientific and acquisition communities, and with our Allies. As the Under Secretary, my own overall accountability for all the responsibilities of this office would remain clear and unambiguous. "Double hatting" of the two ASDs saves manpower spaces by allowing personal staffs to perform dual functions, and provides me a more manageable span of control. Most importantly, this concept does not interpose an intervening management layer between my deputy under secretaries and me.

At the Deputy Under Secretary of Defense level the key players in this office would hold either major mission area or crosscutting staff management responsibilities. They would be held accountable in all three of the management areas I have discussed -- acquisition management, mission area development and support, and technology. All of these staff managers at the DUSD level would report and have direct access to me as Under Secretary. Their specific functions are outlined in the attachment.

Attachment
As stated


USDRE-Designee

COORDINATION: DASD(ADMINISTRATION) 

OUSDRE
1 April 1981

PROPOSED ORGANIZATION OF THE
OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR
RESEARCH AND ENGINEERING

The attached chart summarizes the organizational arrangements proposed for the Office of the Under Secretary of Defense for Research and Engineering (concurrently the Defense Acquisition Executive).

This does not represent a major reorganization, nor a significant change in the number of senior officials or their basic responsibilities.

It does represent some adjustments, realignments of function, and emphasis to better manage progress toward three objectives:

- o To insure efficient and affordable acquisition management.
- o To match force modernization and development with mission needs.
- o To sustain the technology base.

Leadership. The standards, philosophy, and goals of the organization in support of the Secretary's management objectives would be set by a top-leadership group consisting of the Under Secretary of Defense for Research and Engineering (with downstream change to Under Secretary for Research, Engineering and Acquisition), a new Assistant Secretary of Defense for Development and Support (concurrently the PDUSD), and a new Assistant Secretary of Defense for Research and Technology (concurrently the Director, Defense Advanced Research Projects Agency). Individually and collectively, this leadership team would interact with each of the nine major staff managers in the organization, and would represent the objectives we are seeking outside of the organization -- with the Services, the Congress, industry, the scientific and technical community, and other organizations. The Under Secretary's overall accountability for all the responsibilities of this office would remain clear and unambiguous.

Leadership Support. The top-leadership group would be supported by a small executive office and the Director of Program Control and Administration, essentially unchanged from the current setup. In addition, a new Assistant Under Secretary of Defense for Plans and Development would directly support the leadership group with crosscutting planning, support of the DoD PPBS, top-down guidance support, analytical support of the Defense Science Board, and intelligence support for the organization as a whole.

Staff Management. Nine senior officials would carry the responsibility of managing staff activities directed toward achievement of the three basic goals highlighted. They would include the Assistant to the Secretary of Defense (Atomic Energy), seven Deputy Under Secretaries of Defense, and the Director of Test and Evaluation. All of these staff managers would report to the Under Secretary, and have direct access to him. In addition the ATSD(AE) would have access to the Secretary of Defense in his capacity as special advisor on nuclear matters, and Chairman of the Military Liaison Committee.

This basic staff management structure remains essentially the same as it is today quantitatively and qualitatively. The main quantitative change is that now there would be nine (as opposed to eight) officials in this category. This results from breaking the functions of the DUSD for Tactical Warfare Programs into two offices in order to deal with the excessive span of control load in the TWP area now.

The main qualitative changes are: first, specific attention to matters bearing on procurement. Each major office manager will be responsible for the total system acquisition to include the important element of support requirements; second, is the essential need to relocate certain C3I staff responsibilities from the C3I deputation to the various other staff management functional offices to insure integration of C3I capability into each major mission area. Overall management responsibility would still rest with the DUSD(C3I). It is anticipated that a few members of C3I would be relocated, and they would continue to look to the DUSD(C3I) as their "integrating" chief.

- Mission Area Staff Managers. Five of the nine senior staff managers fall generally into the category of mission area managers who head activities including responsibility for the total acquisition of systems, including, for example, the required C3I support and the efficient procurement of sufficient quantities of systems. These five managers are:
 - ATSD(AE): Responsible for coordination of nuclear warhead acquisition with the DoE; for oversight of the Chemical Warfare Mission Area; and for staff oversight of the Defense Nuclear Agency (DNA). The title ATSD(AE) will remain unchanged even though it will be more fully integrated into the USDREA structure. This is because the title enjoys wide recognition and has a distinct meaning in the Defense community. ATSD(AE) and Chairman of the Military Liaison Committee carry with it recognition of Presidential Appointee status and underscore the continuing direct access to the Secretary of Defense. Of equal importance is the relationship with his counterpart in DoE. With the recent establishment of DoE, the head of Defense Programs was made an Assistant Secretary which adds increased attention to the grade level of the ATSD(AE).
 - DUSD(C3I): Converted from an ASD to a DUSD responsible for overall oversight of C3I matters; staff management of national and defense-wide C3I programs; and for staff oversight of the Defense Communications Agency (DCA) and the Defense Mapping Agency (DMA). Certain staff management functions related to other mission areas would be transferred to staff managers below, along with a few C3I personnel. This will ensure that C3 considerations be included in the systems acquisition process. These few C3I individuals will be expected to look to the DUSD(C3I) as their resource chief and he, in turn, will be responsible for the integration of all C3I considerations in weapons systems design and acquisition, and for coordination and interaction with the JCS and DCA. The basic role of the DUSD(C3I) will not become fragmented nor evolve into one of support for other program areas, but retain its mission of resources and systems manager for the DoD C3 and Intelligence community.

- DUSD(Strategic and Theater Nuclear Forces): Theater Nuclear Force responsibility would be added explicitly and consolidated in this organization; strategic system C3I would be added; and the technical SALT Support Group would be added. The core staff management of strategic and space systems would remain as it now is in this office.
- DUSD (Tactical Air and Land Warfare): The tactical land and air warfare staff management responsibility now under the DUSD (Tactical Warfare Programs) would be broken out into this new office -- to include USMC programs. Related tactical C3I responsibility would be added.
- DUSD (Tactical Sea Warfare and Mobility): The tactical sea warfare staff management responsibility now under the DUSD(TWP) would be broken out into this new office; which would also include responsibility for strategic mobility capabilities. Related tactical C3I responsibility would be added.
- Cross-Cutting Staff Managers: Four of the nine staff managers have largely cross-cutting responsibilities requiring close coordination with the mission area oriented staff managers. They are:
 - DUSD (Research and Advanced Technology): Essentially unchanged responsibilities from the current office with the same title.
 - DUSD (Acquisition Management): The title of this office is changed from the current "Acquisition Policy" to reflect added emphasis to the responsibility for staff management of the acquisition process. A significant element of this responsibility is fostering a stronger industrial base. Staff oversight of the Defense Systems Management College (DSMC) would be a responsibility of this DUSD.
 - DUSD (International Programs and Technology): Essentially unchanged responsibilities from the current office with the same title.
 - Director of Test and Evaluation: The responsibilities as now cited for the current office would be broadened, with increased attention given to mission area evaluation.

The Defense Advanced Research Projects Agency (DARPA) would have close ties to the Office of the DUSD (R&AT), but the ASD for Research and Technology would be concurrently the Director of DARPA. A key responsibility for the new ASD would be to see that technology, when mature, has a welcomed place in the Services for system utilization.

The proposed organization seeks to focus staff management on five major mission areas, cutting across Service lines, and follow a standard industrial matrix concept whereby the mission area organizations interact with and draw support from four cross-cutting organizations with functional and management responsibilities in specialized areas.

- o The C3I system functions directly supporting the major missions would report directly to the responsible mission Deputy, with the Deputy Under Secretary of Defense for C3I responsible for total integration, and insuring the quality of the C3I work and people. In addition, a number of broad C3I functions report directly to the DUSD for C3I. Some of the current C3I functions that have evolved historically, for example, direct management of the Defense Language School and Base Communications, could be lodged with MRA&L. C3I will no longer be counted separately for manpower purposes, but will be integrated with other REA activities.
- o The Test and Evaluation (T&E) function is also more closely tied to the major mission Deputy Under Secretaries of Defense. The T&E people would report directly to the Director of Test and Evaluation, rather than to the Deputy for the mission areas, but be responsive to the DUSDs.
- o The Assistant to the Secretary of Defense for Atomic Energy will continue to have a dual command line -- the acquisition function reporting to the Under Secretary of Defense for Research, Engineering and Acquisition, and as Chairman of the Military Liaison Committee reporting directly to the Secretary of Defense. AE will, in the main, no longer be counted separately for manpower purposes, but will be integrated with other REA activities.
- o The current separation between Research and Advanced Technology, and the Defense Advanced Research Projects Agency (DARPA) would be changed with the Director DARPA being concurrently an ASD. The Office of the Under Secretary of Defense for Research, Engineering and Acquisition must have a management overview responsibility over major DARPA programs such as the High Energy Laser Program.
- o Space capabilities would be the responsibility of the two mission Deputies for Strategic/Theater Nuclear Forces and C3I. At some point we may need a separate space cross-cutting or mission function.
- o Management of the Industrial Preparedness Program and developing a stronger DoD role in significantly improving industrial preparedness are responsibilities of Deputy Under Secretary for Acquisition Management. He will coordinate the necessary oversight of these critical activities so that intensive management attention is applied by each of the mission Deputies.

Intelligence user support to the Under Secretary and the tasking of the intelligence community needs to be improved. I have proposed that this should be done by holding the Assistant Under Secretary of Defense for Plans and Development responsible for these functions.

This proposed organizational approach requires no significant increase in the number of DUSDs in this office. The added emphasis on procurement, the newly assigned responsibility for Chemical Warfare in the Atomic Energy Office, will increase our manning needs somewhat. This is under current review. The creation.

of the two DUSDs charged with tactical warfare responsibilities where one now does this job is possible by elimination of one of the two "Principal" DUSDs now authorized. The position of DUSD for C3I is created by conversion of the PDASD for C3I.

The position of ASD for C3I is eliminated and replaced by the ASD for Development and Support. The new position of ASD for Research and Technology is the only real increase from the current organization in top-management positions in the office. These adjustments will require Congressional approval.

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